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1 April 1957

Validity Study of NIE 100-3-56:

Sino-Soviet Policy and Its Probable Effects in

Underdeveloped Areas,

published 24 April 1956

1. The general conclusions of the estimate appear to be valid. Bloc credits have expanded rapidly, though Bloc trade not related to its credit arrangements has increased more slowly than was implicitly assumed. The strengthening of non-Communist markets during 1956 has led to a substantially smaller economic dependence on the Bloc for Burma, and Bloc trade declined significantly with Argentina and Cuba.

2. The political effects of Bloc policy in the uncommitted states in the Middle East and Asia appear to have been accurately estimated. Some of them seem to have become more wary of the implications of close ties with the Bloc, in part because of events in Hungary. Nevertheless, the appeal of Bloc trade and aid remains strong in most of the area.

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